



# Department of Justice

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FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT ANNOUNCES ANTITRUST REVIEW OF PROPOSED  
SETTLEMENT BETWEEN TWA AND TRAVEL AGENTS**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division said today it will examine a proposed settlement of a dispute over travel agent commissions reached between Trans World Airlines Inc. and the nation's 25,000 travel agencies, and is considering how best to file its views about the settlement with the U.S. District Court in Minneapolis where it is awaiting judicial review.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the Division has concerns about the portion of the proposed settlement that ties future commissions to nationwide sales of tickets issued by a particular airline. "An agreement between all travel agents and an airline to increase that airline's sales at the expense of other carriers raises serious competitive concerns," Bingaman said.

The proposed settlement involves a private antitrust suit brought by the American Society of Travel Agents (ASTA) and other travel agents against TWA and six other major airlines alleging

(MORE)

that the airlines colluded to reduce travel agent commissions.

In February, each of the private suit's defendant airlines announced that it would place a cap on travel agent commissions at \$50 for roundtrip tickets and \$25 for one-way tickets. For many years prior to the announcements, travel agents earned a commission of 10 percent on the total cost of each ticket sold, the Department said.

Under the terms of the proposed settlement, TWA would pay agents 10 percent commissions retroactively for the period February 15 to April 30, 1995, and would pay agents 10 percent for sales made from May 1, 1995 to September 30, 1995. TWA would then continue to pay 10 percent commissions until April 30, 1996, provided that its revenues from all ticket sales through travel agents nationwide continued at 10 percent over prior levels.

The other defendants in the lawsuit that are not parties to the settlement are; American Airlines, Delta, United Air Lines, USAir, Continental and Northwest.

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